
State Renewable Energy News

A Compilation of Renewable Electric Activities in the States

Prepared for the NARUC Renewable and Distributed Resources Subcommittee

Volume 12, No. 2

Summer 2003

State Activities

Alabama

PSC Approves Green Power Offer

The PSC approved a new renewable energy rate rider that Alabama Power Company is offering to its residential customers. Under the Renewable Energy Rate, customers can purchase 100-kilowatt-hour (kWh) blocks of power generated from renewable energy sources for a \$6 monthly charge, or a premium of 6¢/kWh above the standard rate. The initial source of the green power will be Alabama-grown switchgrass, which will be co-fired in a utility-owned coal-fired power plant.

Arizona

Group Reports on EPS Impacts

The Cost Evaluation Working Group submitted a report to the ACC evaluating the costs, benefits, and impacts of the Environmental Portfolio Standard (EPS) adopted by the commission in 2001. The EPS requires load-serving entities (LSEs) in the state to provide an increasing percentage of total retail energy sales from solar and other environmentally friendly resources, up to 1.1% in 2007.

Among the group's findings are that the EPS "is producing significant benefits within Arizona including environmental impacts, increased experience in installing renewable capacity, development of in-state renewable resource infrastructure, and job creation." The group also found that the costs associated with solar-electric technologies have declined substantially from costs prior to adoption of the EPS.

Connecticut

New Law Encourages Renewables

Gov. John G. Rowland signed a bill (SB 733) amending the state's Electric Restructuring Act and closing a loophole that exempted standard offer service providers (which serve approximately 98% of the state's customers) from complying with the state's renewable portfolio standard (RPS)—the RPS requires 10% of all retail electricity sales to come from renewable sources by 2010. The bill also extends the state's system benefits charge (SBC) of 4 mills/kWh, which generates revenues of approximately \$109 million annually for the Energy Conservation and Clean Energy Fund.

The bill also grants authority to the DPUC to require electric distribution companies to offer green power options. The DPUC can determine the terms and conditions of renewable energy or energy efficiency options, including the contract terms and the minimum percentage of electricity to be derived from renewable energy sources. The green energy options will be developed and implemented by third-party companies selected through a competitive bidding process.

Georgia

PSC Approves Green Power Tariffs

The PSC gave Georgia Power and Savannah Electric approval to offer green power tariffs to their residential and business customers. Georgia Power customers will be able to purchase 100-kWh blocks of green power for an additional \$5.50 per month or a premium

of 5.5¢/kWh above the standard electricity rate, while the PSC approved a rate premium of 6.0¢/kWh for Savannah Electric customers. In 2001, the PSC directed both utilities to file proposals for green power programs.

Iowa

IUB Opens Green Pricing Docket

The IUB has commenced a rule-making to implement a state law requiring all electric utilities in the state to offer “alternate energy purchase programs that allow customers to contribute voluntarily to the development of alternate energy in Iowa” by January 1, 2004. The green pricing programs are meant to supplement other components of renewable energy development, including state-mandated renewable energy purchase requirements. Utilities must file their program plans by October 1, 2003.

Maine

State Adopts GHG Reduction Goals

Gov. John Baldacci signed legislation making Maine the first state in the nation to enact a law that sets goals for the reduction of greenhouse gases. The law requires the state to develop a climate change action plan to reduce CO₂ to 1990 levels by 2010, 10% below 1990 levels by 2020, and by as much as 75-80% over the long term, as agreed to by the New England Governors and Eastern Canadian Premiers.

Earlier in the year, Gov. Baldacci established a goal for state government to buy at least 50% of its electricity from “reasonably priced” renewable power sources. The goal is contained in the governor’s “Vision” for meeting Maine’s environmental needs. As a first step toward meeting this goal, Baldacci announced that the governor’s residence and several other state buildings will be supplied with green power. The additional cost of the green power purchase will be offset with energy efficiency savings.

Massachusetts

Governor Commits to State Purchases

Gov. Mitt Romney filed legislation that would provide funding for state agencies to purchase as much as 20% of their electricity from renewable energy sources during the next 20 years. The legislation calls for \$17 million to be used for future state purchases of green power in exchange for using \$17 million from the state’s Renewable Energy Trust Fund to help reduce the state budget deficit. The Fund, which is administered by the Massachusetts Technology Collaborative (MTC), was created in the state’s electricity restructuring law and is financed through a monthly surcharge on electric utility bills.

Separately, the MTC announced the availability of incentives designed to facilitate the financing and construction of new renewable energy-generating facilities in the region. Through the solicitation, MTC offers to purchase renewable energy certificates (RECs) and to provide other market price risk-hedging products to developers of renewable energy-generating facilities, and to companies that purchase energy, capability, and/or RECs from such facilities.

MTC Contact:

Fran Cummings, (508) 870-0312

Minnesota

Waste Bill Includes More Renewables

Gov. Tim Pawlenty signed legislation (HF 9) that provides added high-level nuclear waste storage at the Prairie Island nuclear power plant owned and operated by Xcel Energy. The bill also includes a number of provisions that support renewable energy development:

- Increases Xcel’s Renewable Development Fund contribution from \$8.5 million to \$16 million each year for as long as the Prairie Island plant operates.
- Requires Xcel to obtain 10% of its power supply from renewables by 2015.
- Provides \$4.5 million in subsidies for 100 MW of small windmills and \$1.5 million for on-farm biogas projects.

Montana

New State Law Encourages Renewables

Gov. Judy Martz signed into law a bill (HB 509) that revises the state's electricity restructuring law and extends the Universal System Benefits Charge through December 31, 2005. The charge generates about \$13 million a year statewide to support energy efficiency, renewable energy, and low-income programs.

The law also requires the state's default electricity service providers to offer green power options to their retail customers. An earlier requirement was part of an electricity law repealed by voters in 2002. The green power products must be supplied from "certified environmentally preferred resources," such as wind, solar, geothermal, and biomass. The PSC is tasked with approving the product offering(s) and ensuring that the resources have been certified as "meeting industry-accepted standards."

Nevada

PUC Approves Renewables Contracts

The PUC approved a number of contracts between the state's two investor-owned electric utilities and renewable energy developers for new projects that will help meet the state RPS. The RPS requires the utilities to gradually increase the amount of power they buy or generate from renewable energy sources from a level of 5% of electricity sold in 2003 to 15% in 2013. The contracts, which total 287 MW, include power from geothermal energy (107 MW), solar energy (50 MW), and wind energy (130 MW).

Separately, the Nevada Renewable Energy and Energy Conservation Task Force issued a report to the 2003 Legislature and the governor that provides recommendations for actions that the state can take to encourage the continued development of its renewable energy resources, and to encourage and support energy conservation and energy

efficiency. The task force, which was created by the 2001 Legislature, is comprised of business executives, utility executives, and representatives from government and non-profit organizations. The group acts as an advocate for the renewable energy community and provides a public forum for moving the state's renewable energy agenda forward.

New Jersey

Governor Pushes Task Force Findings

Gov. James McGreevey directed the BPU to implement a set of task force recommendations aimed at promoting the use and development of renewable energy in the state. The recommendations include increasing the state's RPS to 4% in 2008 and establishing a new long-term RPS of 20% for 2020, as well as providing a check-off option on utility bills that would allow customers to contribute to the New Jersey Clean Energy Program, which promotes renewable energy through rebates and incentives. The task force also called for establishment of a statewide program that would allow retail electric customers to select an alternative green power supplier via a sign-up option on utility bills.

State Agencies Purchase Wind Power

An aggregation of New Jersey state agencies has signed a contract to buy 24 megawatts (MW) of wind-generated electricity during a 33-month period, including 12 MW generated from wind farms in the mid-Atlantic region. More than 90% of the wind power may come from the 20-MW Bear Creek wind farm to be constructed near Wilkes-Barre, Pennsylvania, less than 60 miles from northern New Jersey.

The public agencies united to create one electricity contract and thereby obtain the lowest-cost green power. The purchase also helps meet the 10% environmentally friendly green power purchase goal established by Gov. McGreevey.

New York

NYPA Purchases Wind for State Agencies

The New York Power Authority (NYPA), a state-owned power supplier for state agencies, municipal utilities, and rural electric cooperatives, is in the final stages of negotiations with two wind project developers to purchase up to 50 MW of wind energy beginning in 2005. NYPA plans to include the wind energy in a portfolio of renewable power to be supplied to state government customers under Gov. George Pataki's executive order, which requires state agencies to use renewable energy to meet 10% of their electricity needs by 2005 and 20% by 2010.

Pennsylvania

State Unveils Renewables Initiative

The Department of Environmental Protection (DEP) unveiled a new \$5 million initiative called *Pennsylvania Energy Harvest* to encourage greater development and use of renewable energy technologies throughout the state. The initiative, which will help finance the implementation of clean and renewable energy technologies such as biomass and wind power, is open to local governments, conservation districts, nonprofit organizations, school districts, colleges and universities, and farms and businesses. The program has issued a grant solicitation with an application deadline of September 19, 2003.

In conjunction with the initiative, Secretary of the Department of Environmental Protection (DEP) Katie McGinty announced plans for the Commonwealth to increase the amount of renewable energy it purchases to 10% of total state government electricity use.

DEP Grants Center:
(717) 705-5400

Rhode Island

State Group Explores RE Options

The Rhode Island Renewable Energy Fund announced the formation of the Renewable Energy Consumer Aggregation (RECA), a group of 20 state businesses and educational institutions committed to exploring options to

purchase their electricity from renewable energy sources, either individually or in aggregate. Combined, the group members use more than 400 million kwh of electricity annually.

RECA will investigate the market for renewable power and attempt to find cost-effective purchasing opportunities. The Fund, which is administered by the State Energy Office (SEO), was established in the state's Utility Restructuring Act of 1996 and is financed through a surcharge on electricity customer bills.

SEO Contact:
(401) 222-3370

Vermont

New State Law Encourages Renewables

Gov. Jim Douglas signed into law a bill (S.57) that calls for a study of the possible effects of implementing a statewide RPS, allocates \$626,000 in oil overcharge funds to support the installation of small-scale renewable energy systems, and allows the PSB to set up performance-based regulatory schemes to encourage utilities to promote efficiency and renewable energy.

The law also grants authority to the PSB to approve green power options offered by electric utilities. According to the bill, renewable energy options may be priced at a premium to standard tariffs, provided that the premium is cost-based and "reasonably reflect[s] the difference between acquiring the renewable energy and the utility's alternative cost of power, including administrative costs."

The board is to consider the following factors in determining whether to approve proposed programs: (1) marketing and administrative expenses; (2) independent auditing or certification of sources; (3) marketing and promotion plans; (4) effectiveness of the program in meeting the goals of promoting renewable energy generation and increasing public understanding of renewables; and (5) costs imposed on nonparticipating customers.

Information Links:

Alabama PSC Order Approving Renewable Energy Rate Rider:

<http://www.psc.state.al.us/orders/03may/u4485ala.html>

Report: Costs, Benefits, and Impacts of the Arizona Environmental Portfolio Standard:

<http://www.cc.state.az.us/utility/electric/CostEvalRpt.pdf>

Text of Connecticut Law SB 733 Revising the Electric Restructuring Act:

<http://www.cga.state.ct.us/2003/tob/s/2003SB-00733-R05-SB.htm>

Georgia PSC Approves Green Power and Green Energy Pricing Programs:

<http://www.psc.state.ga.us/newsinfo/releases/2003/071503.pdf>

IUB Order Commencing Rule Making for Utility Alternate Energy Purchase Programs:

http://www.state.ia.us/government/com/util/private/Orders/2003/0421_rmu038.pdf

Maine Act To Provide Leadership in Addressing the Threat of Climate Change:

<http://www.mainelegislature.org/legis/bills/billdocs/LD084501.doc>

Maine Gov. Baldacci's Vision for Meeting Maine's Environmental Needs:

<http://www.state.me.us/governor/baldacci/vision/environment.html>

Massachusetts Technology Collaborative Renewable Energy Web Site:

<http://www.masstech.org/RenewableEnergy/index.htm>

Minnesota Nuclear Waste Bill (HF 9):

http://www.revisor.leg.state.mn.us/cgi-bin/getbill.pl?session=ls83&version=latest&number=HF9&session_number=1&session_year=2003

Montana Bill Revising the State's Electricity Restructuring Law:

<http://data.opi.state.mt.us/bills/2003/billhtml/HB0509.htm>

Nevada Renewable Energy Task Force Report to the Legislature:

<http://energy.state.nv.us/taskforce/NREECTF%20Legislative%20Report.pdf>

New Jersey Renewable Energy Task Force Report:

<http://www.bpu.state.nj.us/renewEnergy/renEnergyReport.pdf>

Pennsylvania Energy Harvest Grant Home Page:

<http://www.dep.state.pa.us/dep/deputate/pollprev/ehg/default.htm>

Rhode Island Renewable Energy Fund Web Site:

<http://www.riseo.state.ri.us/riref.html>

Vermont Renewable Energy Law (S. 57)

<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2004/bills/senate/S-057.HTM>

This newsletter is prepared for the Renewable and Distributed Resources Subcommittee of NARUC's Energy Resources and the Environment (ERE) Committee to promote the sharing of information on state-level renewable electric activities.

Comments can be directed to Blair Swezey, National Renewable Energy Laboratory, at (303) 384-7455 or Blair_Swezey@nrel.gov Past issues are available at: <http://www.nrel.gov/analysis/sren>

The Subcommittee Chair is the Honorable Phyllis Reha, Commissioner, Minnesota Public Utilities Commission.